

to the rate that these companies have had to pay to obtain Mexican currency. While the wire service companies obtain pesos at a rate that closely matches an established benchmark rate, the companies distribute pesos to their customers at a far lower rate.

The difference between those two figures represents a source of additional income to the companies and an additional cost to the consumer—one which is not disclosed.

Before transferring money, many customers research the current benchmark exchange rate to find out how many Mexican pesos can be obtained for their U.S. dollars. However, customers are not informed that the wire transfer companies fail to abide by that benchmark rate, and establish their own conversion scheme allowing them to pocket additional money.

A benchmark exchange rate is set daily by Banco De Mexico. While this figure is an unofficial rate, those entities doing the largest share of business converting U.S. dollars to Mexican pesos—such as major financial institutions, markets, government agencies, and the wire transfer companies—generally receive a rate which closely matches the daily benchmark rate.

On the other hand, Western Union and MoneyGram arbitrarily set a different exchange rate for their customers—one which has been found to routinely vary from the benchmark rate by as much as 12 percent.

These “currency conversion fees” allow the companies to post huge profits. According to one analysis of figures, Western Union alone made an additional \$130 million based on the conversion scheme—roughly equivalent to the amount that the company made for the service fees.

In other words, this hidden practice allows the company to virtually double the money it is making off of the Mexican community.

The wire transfer companies allege that this is a legitimate and common practice. The fact is, however, that other major companies and institutions which convert dollars into pesos follow more closely the benchmark exchange rate which is set daily by the Banco de Mexico, often matching the benchmark rate exactly when providing services to their customers.

The wire transfer companies are wrong, therefore, when they claim that this represents a “common” business practice.

How does the rate affect an individual customer? One day late last year, the benchmark exchange rate was listed as 8.3 pesos to the dollar. On the same day, both Western Union and MoneyGram were offering customers 7.3 pesos to the dollar. As a result, for every \$100 transferred, the customer (or the recipient) would lose an additional \$12 dollars—on top of service fees.

This practice targets a particular community. When a comparison is made of transfers to various counties, this practice appears aimed at Mexican immigrants and their families in particular. For example, on a recent occasion, the exchange rate which MoneyGram set to convert U.S. dollars to Mexican pesos was three times more costly than the rate for changing U.S. dollars into Canadian currency.

Specific advertisements (misleading as they are) are aimed at the Mexican market. One MoneyGram advertisement claims (falsely): “Send \$300 to Mexico for \$14.”

The company's tactics in the wake of Hurricane Pauline have been cited as further evi-

dence of a trend of seeking to make additional money by misleading the Mexican-American community.

Lawsuits have been filed in federal court in California claiming the companies have engaged in false advertising and charging hidden fees. Likewise, a class-action lawsuit will also be filed in federal court in Chicago next week.

I am introducing today legislation aimed at curbing the wire transfer companies' tactics which they have used to take advantage of their customers. My legislation would require the wire transfer companies to fully disclose their practices to their customers, thereby making sure that such “hidden” costs are brought to light.

This bill would require companies to list—and to reasonably explain—their own currency conversion rates on all advertisements, forms and receipts provided to customers, and in display windows or at service counters in all establishments offering international wire transfers.

Failure to comply could lead to criminal penalties and civil liabilities of at least \$500,000. I am entitling my bill the “Wire Transfer Fairness and Disclosure Act of 1998.” I welcome the support of my colleagues who wish to join me in protecting consumers in our communities.

IN HONOR OF THE ANNANDALE LIONS CLUB

HON. TOM DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 23, 1998

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to pay tribute to the Annandale Lions Club, a truly outstanding organization that has served Annandale, Virginia for fifty years. The Club overcame initial obstacles to become a great fixture in our community, providing valuable support wherever the Lions saw a need.

The Annandale Lions Club received its Charter in 1948 when Annandale was a tranquil rural community. The Club was off to a rocky beginning. By the end of the first year, membership had waned from thirty to twelve members, meeting attendance was poor, and the club's finances were in disarray. The Club's future looked precarious as Lions International District leadership discussed revoking the Club's Charter.

The Club's remaining members, along with several new members rallied in a valiant effort to save the Club. Under the new leadership of Erskine “Erk” Worden as President and Victor Ghent as Secretary-Treasurer, the Club began a legacy of service to the community which continues to this day.

Throughout its fifty year history, the Annandale Lions Club has embraced the Lions philosophy of “We serve”. The Club's numerous activities have benefited youth, community betterment, and healthcare. Noteworthy projects from the early years include providing playground equipment and furnishing a clinic for the old Annandale Elementary School, the endowment of a then-maternity ward at Fairfax Hospital, supplying yellow school patrol raincoats with hats or hoods to twelve or thirteen elementary schools, supplying bleacher seats to Annandale High School when it opened in 1953, and later providing financial help with the athletic field lighting system.

Many projects helped transform rural Annandale to the bustling suburban area it is today. During the early years, the Club provided a map to the local Fire Department to facilitate prompt responses to emergencies. The map was updated yearly to reflect Annandale's rapid growth. In 1959, the Lions embarked on a project to install street signs at all unmarked intersections, until the County began to install street signs County-wide about six years later.

Around 1960, the Annandale Post Office and Annandale Fire Department were in need of a street numbering system to aid in locating houses. Lion Merlin “Mac” McLaughlin, a land-surveyor then in private practice, volunteered to work with the Postmaster to develop a house numbering system for the entire Annandale postal area that could accommodate urban growth. Fairfax County implemented the 9-1-1 system in 1970 requiring that houses be numbered. Due to the effective system that the Lions Club had created, Annandale was allowed to retain the existing house numbers and the system was expanded throughout the County.

As the community changed and evolved over the years, the Club's service activities have adjusted to meet the changing needs and priorities of the community. Some of the numerous Club projects over the years include sponsoring or co-sponsoring a scout troop, sponsoring ball teams in Little League and Babe Ruth League, constructing the children's playhouse at the Annandale Christian Community for Action's (ACCA) Day Care Center and landscaping the ACCA Elder Care Center, providing Leader Dogs and service dogs to community members, collecting and sending food and clothing to disaster areas around the country, and providing chairs and landscaping to the George Mason Library. In addition, the Annandale Lions Club supports a number of projects benefiting sight and hearing screening and research, including the Virginia Lions Eye Institute for which they recently purchased a Fundus camera to take Fluorescein angiograms of the retina.

Mr. Speaker, I know my colleagues join me in thanking each and every Annandale Lion for their hard work and dedication to helping others in making Annandale a great place to live. I wish the Annandale Lions Club continued success in all of its future endeavors.

TRIBUTE TO PAUL KORBER

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 23, 1998

Mr. GALLEGLY. Mr. Speaker, I would like to pay tribute today to Paul Korber, a hero who lost his life while saving a mother and her two sons stranded in the rough waters of the Ventura Harbor. Paul Korber, a harbor patrol officer in Ventura County, California, ignored the dangers which took his life to save three others.

The rescue was not an uncommon one for Paul Korber. He often risked his own safety to help those in danger—his job was to save lives. But that day the tides were not in his favor and he died in the line of duty, an unselfish chance he often took.

Paul Korber was known as a fitness advocate and could usually be found on a mountain bike, camping or freediving to spear fish.